



DATE: December 11, 2013

AGENDA ITEM # 3

TO: Parks & Recreation Commission
FROM: Beverly Tucker, Recreation Director and Staff Liaison
SUBJECT: Park In-Lieu Fee Program Overview

RECOMMENDATION:

Receive report

BACKGROUND

At the regular November 2013 Parks & Recreation Commission meeting, an overview of the Park In-Lieu program was requested.

DISCUSSION

Local governments in California play a crucial role in setting aside parkland and open space for its residents. In 1975, California Government Code §66477 was passed authorizing cities and counties to pass ordinances requiring housing developers set aside land, or pay fees in lieu of parkland. This code, now known as the Quimby Act, ensures adequate parkland is available for increased population resulting from residential development.

Park In-Lieu (PIL) is the term used to identify funds paid to cities and counties with ordinances in place. PIL fees are only assessed when new residential parcels are created either as new single family homes or new multi-resident townhomes or condominiums. PIL fees are not assessed on additions to or rebuilds of existing homes. Also, land dedication cannot be required for subdivisions of 50 units or less.

Since its original passage, amendments have been made to the Quimby Act providing guidance to cities and counties in setting fee formulas, park acreage/population standards and governing fee uses.

The City of Los Altos developed its own ordinance in accordance with the Quimby Act requiring parkland donation or fees in-lieu of parkland donations for housing developments. The City stores all PIL fees in a restricted, special revenue fund that is not co-mingled with any other City funds. The fees are used solely for park acquisition, open space and funding park and recreation facility construction and/or improvements. The State Code prohibits the City using them for any other purposes including park maintenance and operation.

During the Capital Improvement Project (CIP) prioritization process, park projects are identified and ranked for completion. PIL fees are earmarked by the City Council for specific projects and used as the CIP projects are completed. These projects may take more than one fiscal year to complete with the PIL funds remaining tied to the specific projects throughout the process.